GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:81
ANSWERED ON:25.07.2003
FOREIGN EXCHANGE RESERVES
DALPAT SINGH PARASTE;RAMESH CHENNITHALA

Will the Minister of FINANCE be pleased to state:

(a): the foreign exchange reserves of the country as on date;

(b): whether India also has huge external debt; (

(c): if so, the details thereof;

(d): whether the Government propose to repay the external debt from the foreign exchange reserves; and

(e): if so, the details thereof?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a), (b), (c), (d) & (e) : A statement is placed on the Table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No. 81 regarding `Foreign Exchange Reserves` for answer on 25-07-2003.

(a): India`s foreign exchange reserves stood at US$83.3 billion on July 11, 2003.

(b) & (c) : India`s external debt was estimated at US$105 billion at end-December 2002. The country`s external debt indicators have progressively improved in terms of both debt-GDP and debt service ratios. In terms of indebtedness classification, theWorld Bank has categorised India as a less indebted country since 1999.

(d) & (e) : The Government has prepaid high-cost foreign currency loans worth US$1342.33 million from the Asian Development Bank (ADB), and US$1687.8 million from theWorld Bank, in February 2003. The Government purchasedforeign currency directly from Reserve bank of India atthe then prevailing exchange rates. The prepayment was financed through domestic rupee borrowings. The policy of prudently managing the external liabilities and of proactively liquidating the relatively higher cost component of the country`s external debt portfolio will continue.